MAY 16, 1966

MIDWEST ISSUE

ARE EUROPEANS BETTER EXPORTERS THAN AMERICANS?

THE ST. LAWRENCE SEAWAY

FOREIGN MARKETS FOR THE UPPER MIDWEST

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FOREIGN AGRICULTURE

Including FOREIGN CROPS AND MARKETS

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Workers ready some 50,000 bushels of Iowa corn for the trip by barge from Muscatine down the Mississippi. About 45 percent of the grain exported from the Upper Midwest States goes by barge for shipment from the Gulf. (*Des Moines Register* photo.)

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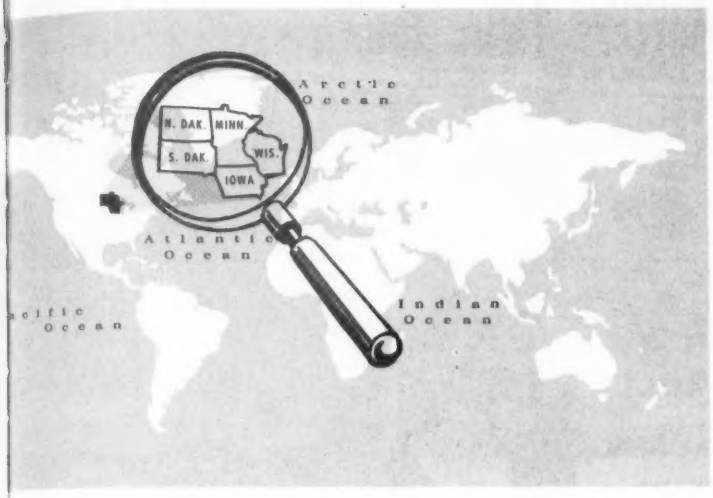


UPPER MIDWEST AGRICULTURAL TRADE CONFERENCE

In the Nation's heartland this week, the people of an area that produces a billion dollars a year in agricultural exports are meeting to see what can be done to build that huge total even higher.

The place is Minneapolis. The dates are Wednesday and Thursday, May 18 and 19. The event is the Upper Midwest Conference on Agricultural Trade. Participants are governmental, farm organization and business leaders of five States comprising the Upper Midwest—Minnesota, Iowa, North Dakota, South Dakota, and Wisconsin.

The farms and factories of these States are major contributors to the Nation's record exports of soybean products and corn and also produce for export substantial amounts of tallow, hides and skins, wheat, dairy and meat products, and processed foods.

Once a land-locked area with little awareness of shipping and exports, the Upper Midwest now finds itself, thanks to transportation developments, closer than ever before to foreign consumers.

Prominent among the transportation advances is containerization—the name given to a variety of techniques whereby the initial container into which an export product is loaded, be it a van, trailer, or other vehicle, becomes the export container and is transferred from truck to rail to ship as the occasion requires until it reaches its foreign destination.

Increasingly important, too, is the use of jet aircraft, especially to transport products on which speed of movement is essential such as live animals and fresh fruits and vegetables.

On the agenda of the Conference will be talks and panels on world population and income statistics. Each year there are more people in the world with more money to spend. Much of that money goes for better diets than many of these people have ever known before, diets containing more protein and more fat.

These changes mean growing trade opportunities for U.S. agriculture and agricultural industry. At Minneapolis this week, discussants will delve into that subject in detail and try to assess this country's foreign markets and how to develop further the opportunities they afford.

Another leading subject will be how government and industry can harness their combined talents and energies to expand these growing markets. In the United States, as in the countries that compete with us in agricultural exporting, both government and private efforts are blended in a joint export promotion program.

The Upper Midwest Conference will explore all phases of this relationship—what it means to government, how business firms can participate, how it can lead to better marketing practices and more convenient financing, and a variety of other topics.

Up for discussion will be actual case histories of agricultural export successes, described by the people who themselves figured in the success stories and devised the techniques that worked.

Heading U.S. Cabinet representation at the Conference will be Secretary of Agriculture Orville L. Freeman, who speaks Wednesday evening at a joint banquet of the agricultural group and those attending an industrial export expansion conference being held simultaneously.

Other government leaders prominent on the program will be Governors Karl R. Rolvaag of Minnesota and Harold Hughes of Iowa, along with President O. Meredith Wilson of the University of Minnesota, co-sponsor of the Conference with the U.S. Department of Agriculture.

Are Europeans Better Exporters Than Americans?

Not necessarily—but they have been at it longer and have learned what it takes to make their products sell on world markets.

By R. L. BEUKENKAMP
Export Programs
Foreign Agricultural Service

California strawberries flown by air to Brussels trade fair sold out at once. More fresh produce is now going by air.

Because water boils in many parts of the world at the same temperatures as it does in the United States, some of our newcomers in the export business find it difficult to understand why proved American business methods as practiced at home should not meet with equal success anywhere in the world. After all, the objective of any sale, wherever in the world, is to make a profit—and a profit is a profit, regardless of language or culture.

Are Americans, perhaps, less "export hungry" than Europeans?

We all know Europe's history: its many borders and languages, its different laws and customs, its wars and frustrations. The domestic market of each of these Eureopean countries has always been rather limited. They have always had to export, or reduce production and thereby lower their standard of living. For years, colonial possessions provided many European countries a natural outlet for their excess production.

Europe's position has changed drastically since World War II. A basic evolution has taken place which has touched the roots of Europe's political, sociological, and economic framework. With accelerated industrialization has come a general prosperity such as Europe has never known before. But today, as in the past, Europe has to export to support this prosperity.

Two different attitudes

Europeans go aggressively about their export business. Their production is geared toward exporting goods. And they export whatever is exportable and wherever it can be sold.

Probably, though, the basic difference between Europe and the United States, insofar as exporting is concerned, lies in the point of view. European producers see the world market as a great supermarket. They know that there is only limited space available on its shelves, and unless they can compete in sustained quality, price, and supply, they will be pushed off the shelves.

The United States, on the other hand, has close to 200 million customers at home, with the strongest purchasing power anywhere in the world. It has long had a built-in market for most of the commodities it produced.

Today, however, the necessity to export has become a vital factor in the United States overall economy; our home market is not big enough to absorb all our production. In 1965, our exports exceeded $25 billion, and about one-fourth of these came from agriculture. Our near-unlimited resources, research, and technology enable us to produce all that is needed for our own people and still export the production of 1 acre out of each 4 harvested. We ship corn, sorghum, wheat, soybeans, cotton, tobacco, and many other products to the far corners of the globe. We air-transport strawberries and asparagus to Europe and ship turkeys to Italy.

Does this make us good exporters? For certain products, yes; for others, no.

Many of our agricultural producers in the last decade or so have become much more marketing-conscious, and in certain areas export-conscious. They are not content any more with trying to just sell whatever they produce, but more and more want to produce what the market, national and international, will take or demand.

Yet, in U.S. agriculture there is still a lack of awareness of export opportunities as well as a lack of knowledge of "how to go about it."

Availability important

The United States is engaged in genuine market development and trade promotion, but mostly for those commodities that have a year-in, year-out exportable surplus (wheat, cotton, corn, soybeans, and soybean products are good examples). For a broad range of products we still treat the world market as an outlet, which only comes in handy whenever we are faced with temporary, exportable surpluses.

We are eager to export one year, but then we say "Sorry, not available" next year—a sure way to kill sound trade

At the U.S. Trade Center in Tokyo (above) exporters can show their products to potential customers, just as trade representative (right) is doing at London Center.

relations. Sometimes we even seem surprised that our overseas customers turn to more steady exporters when our product is not available to them.

Thus, our strong domestic market, though a blessing, can at the same time be a drawback to building a sound export business, which, by its nature, has to be sustained year in and year out.

As our production capacity increases, our export business can and should depend less on domestic factors. There is no reason why more segments of American agriculture should not produce with a steady export market in mind. Also, for most of our agricultural and horticultural products, as yet untapped world markets exist.

How does one enter this fascinating export trade, and how does one build a sound profitable business? (For a few basic pointers, see checklist.)

Even prayers can be sold

Exporting a product is more complicated than selling it domestically. But this should not scare anybody away. If you know you have the right kind of product to offer, the export trade can yield fine profits and a lot of joy.

I remember that Dutchman who visited my office in Buenos Aires in May 1946. He had never been overseas and did not speak one word of any foreign language. His product? Prayer cards.

I asked him why he though he would be able to sell these in South America. His answer was clear and decisive: "Sir, mine are the best in the world, and that goes both for the prayers and the quality of the paper. And besides, the price is right!" This exporter had the basic stuff that makes a successful world trader: courage, confidence, imagination, and a healthy export hunger. Americans should strive for a far greater share in world markets.

How to start

"All roads lead to Rome"—as the old saying goes. Your local banker should be able to counsel you on the first steps. The U.S. Department of Agriculture's Foreign Agricultural Service Attachés overseas can help, and the U.S. Department of Commerce has field offices here at home

Supermarket in Birmingham, England, promotes U.S. foods. When introduced in this way, many U.S. food products find a regular place on the shelves.

ready to assist you. Cooperators, representing agricultural commodity interests, have valuable experience in market development around the world and are ready to assist. Your Chamber of Commerce certainly can be helpful. American shipping companies offer export market services: their overseas offices are able to give complete information and help you make your first sale abroad. Also, transportation companies, including the main air carriers, are eager to help you. All of these services are free.

The Foreign Agricultural Service participates in many trade fairs around the globe, in addition to organizing special product shows in its Trade Centers in London, Milan, and Tokyo. These centers offer the new exporter a fine opportunity to show his product, test new markets, and make contact with potential customers.

Horseradish and Angus

We discovered only recently that there exists a fine market for our horseradish in Europe. Who would have thought so? Well, the producer who took the initiative to show his product at one of our trade fairs abroad.

The ANUGA Food Fair in Cologne last summer introduced American salmon to the Germans, resulting in a first shipment valued at $200,000. And after a special feed grain show in Japan early this year, a Japanese cattle breeder decided to buy 200 head of purebred American Angus to build up his herd.

Other products are finding markets too. We're doing well with turkey meat in Europe, and right now it looks as though there might be a good market there for our peanuts and pecans. Also, some of our exporters have reason to think that the Japanese would buy our fresh peas and lemons.

Then there are our traditional export commodities—wheat, feed grains, soybeans, and such. The increased demand for protein-rich food has opened up new markets for our feed grains and dehydrated alfalfa not only in a conventional market like Western Europe but in Japan, Latin America, and recently in Communist Bloc countries in Eastern Europe.

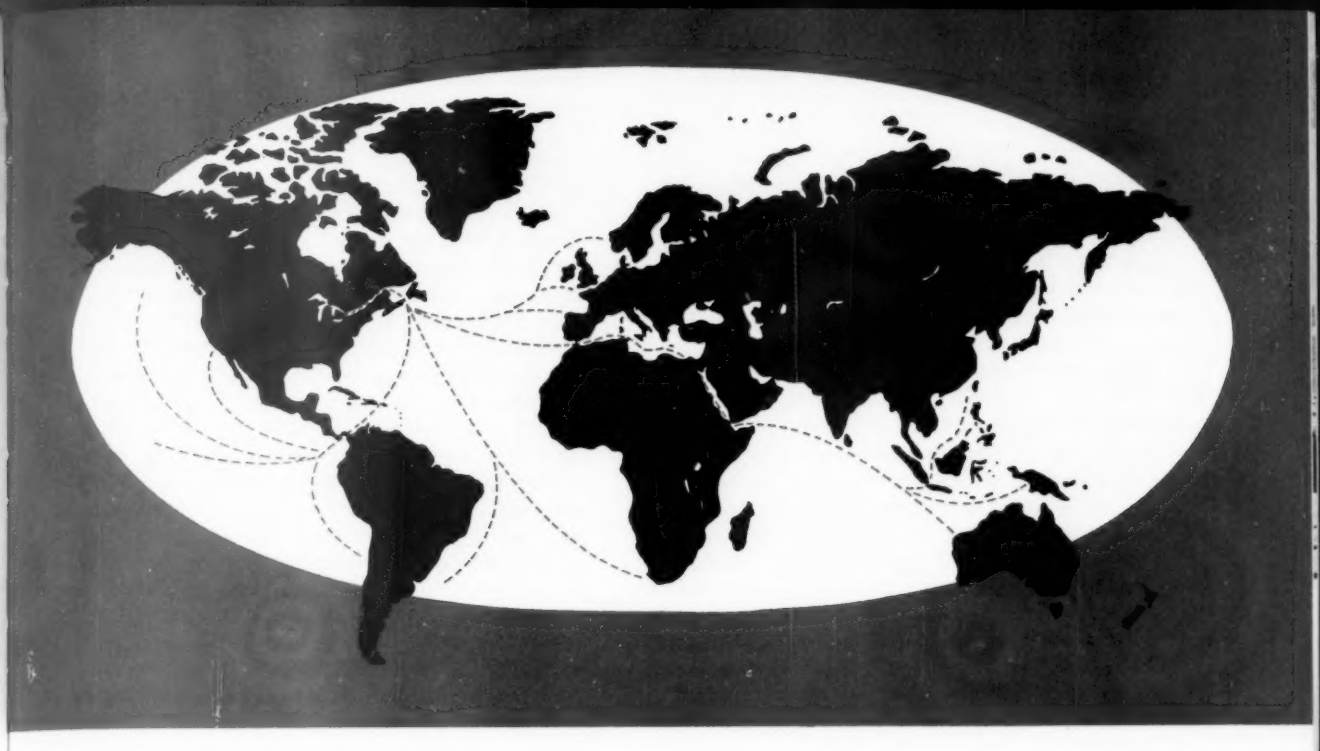
In other words, millions of customers around the world—those with a healthy purchasing power—are ready to buy our quality products, our processed foods, and our specialties if they know of their existence. Isn't it up to us to bring these products to their attention and aggressively stimulate our export business?

Yes, the water boils at the same range of temperatures around the world, and now is the time for more of our exporters of farm products to enter into the export trade. Our domestic market is growing but it is abroad where we may find our greatest future expansion.

Ten Pointers for New Exporters

1. What do you have to sell?
2. Are price and quality "exportable?"
3. Where are your overseas markets?
4. Have you made certain, through a market survey, that you are able to compete?
5. Can your production be geared to sustained deliveries year in and year out to your overseas customers?
6. Who will best take care of your sales overseas?
7. Do overseas markets require special packaging?
8. Have you tested foreign markets through U.S. trade fairs or trade centers?
9. What arrangement is needed to finance overseas transactions?
10. Do you have the confidence, determination, and salesmanship needed to build a profitable export business?

Left, U.S. Agricultural Attaché Paul Minneman greets Germany agricultural official at Cologne fair. Below, left, U.S. marketing specialist Vernon Harness inspects Thai roller gin. Below, John Wenmohs, U.S. Agricultural Officer, Hong Kong, checks U.S. corn.



What the St. Lawrence Seaway Means to U.S. Farm Trade

By JOSEPH H. McCANN, *Administrator*
St. Lawrence Seaway Development Corporation

Opening of the St. Lawrence Seaway some 7 years ago brought ocean-going traffic to the hub of North America's granary—the Great Lakes ports. Since then, the Seaway has become a major avenue in world grain and soybean trade, last year moving nearly 16 million tons of wheat, feed grains, and soybeans from nine U.S. States and three Canadian Provinces. This is more than double the traffic before 1959, when the small locks on what is now the Seaway—Montreal to Lake Superior—kept large-size ocean vessels out of the Great Lakes.

For the United States, specifically, the Seaway has become an important part of a rapidly growing agricultural export trade.

Impact on feed grain trade

U.S. exports of feed grains through the Seaway, for instance, rose 70 percent between 1959 and 1964. They are expected to continue to grow in line with expansion in total U.S. shipments and in future years to account for a greater share of the total U.S. export than the 30 percent recorded over the past 4 years. As in the past, most of the rise will probably be in feed grain shipments to Western Europe—a trade in which the St. Lawrence Seaway is most competitive—and in corn exports in particular. From the 1964 level of 9 million tons, U.S. corn exports to Western Europe are expected to rise to 12 million by 1970 and 13.8 million by 1975. The proportion of these exports moving through the Seaway is forecast to increase to 45 percent, or 6 million tons, by 1980.

Working in favor of this expanded corn trade is the Seaway's proximity to producing areas. The Great Lakes area encompasses the world's foremost cornbelt, accounting for 80 to 85 percent of the United States total production, with Illinois and Iowa alone growing 40 percent of the Nation's crop.

Also, the Seaway moves virtually all the U.S. exports of oats, 40 percent of the rye, and half the barley. Trade in these grains, however, is expected to stabilize or decline in future years, since foreign demand is falling off.

Impact on soybeans, wheat

Also on the increase are Seaway shipments of soybeans —a product which like corn is grown mainly in areas tributary to Great Lakes ports. In 1964, U.S. soybean producers sent 950,000 tons of their soybean exports through the Seaway; by 1970, they are expected to be shipping in this way about 2 million tons, along with another half million of soybean cake and meal.

In 1964, Seaway shipments of wheat from the United States were around 802,000 short tons, or some 28 percent above those in 1960; about 567,000 of these moved to Canada for transshipment to foreign ports and 325,000 moved directly to overseas markets. It is felt that future developments will allow this total Seaway export to more than double by 1980.

The Army Corps of Engineers working on the project states in its June 1965 report ". . . increases in wheat exports from Great Lakes ports will continue as the Seaway route becomes more established; future exports will consist mainly of Soft Winter, Hard Red Spring, and durum wheat destined largely for Northern Europe, Mediterranean, and eastern Latin American areas."

U.S. AND GREAT LAKES WHEAT EXPORTS

Area	Average 1959-63	1965	1980
	1,000 short tons	*1,000 short tons*	*1,000 short tons*
Total U.S.	15,926	19,500	24,000
Great Lakes:			
Area I, Lake Superior	500	700	1,070
Area II, Lake Michigan	26	90	130
Area III, Lake Huron-Erie	352	770	1,050
Total Great Lakes	878	1,560	2,250
	Percent	*Percent*	*Percent*
Great Lakes share of U.S. total	5.5	8.0	9.4

The Seaway today is actually a product of over a century and a half of harnessing the once-treacherous St. Lawrence River and of interconnecting the Great Lakes. It began in the late 1700's when the British built locks around impassable Lachine Rapids on the St. Lawrence at Montreal. It further developed through the mid-1800's with construction of the Erie Canal, first major canal on the Great Lakes; of Merritt's Canal, first with locks, allowing vessels to overcome the obstacle of Niagara Falls; and of locks at Sault Ste. Marie opening Lake Superior to the Atlantic Ocean.

In subsequent years, expanded traffic, along with public demands, brought numerous other improvements, including construction of additional canals crossing Niagara Peninsula and, of course, the Seaway—a project undertaken jointly by the United States and Canada in 1954 to make inland ports accessible to large ocean vessels.

Today, the Seaway is 27 feet deep, allowing passage of ships ranging in size up to 730 feet long by 75 feet wide, and expansion and improvement of it continues. Connecting channels have just been completed, port facilities are being enlarged and modernized, and the Welland Canal is in the midst of an extensive facelifting.

Through much of its past, the St. Lawrence waterway simultaneously attracted farm products from prairie lands of the United States and iron ore and copper from Quebec and Labrador, providing the basis for interchange of these products and for large Canadian transshipment trade in U.S. grains and soybeans.

Wide area serviced

Today, the St. Lawrence Seaway services much of the U.S. grain region, including the wheat belt of eastern Montana, North Dakota, and Minnesota, and the corn and soybean regions of South Dakota, northern Nebraska, Iowa, northern Illinois, Indiana, and Ohio. In the future it could reach the wheat lands of Nebraska, northern Missouri, Iowa, and northern Illinois, Indiana, and Ohio, and the soft wheat areas of Indiana and Ohio. Grain could move in unit trains from Iowa and Nebraska to Chicago and coarse grains by truck to terminals at Chicago and Toledo.

Whether these latter areas actually use the Seaway will depend on development of more large country elevators, unit trains, combination ocean/lake hybrid vessels, and the extent to which transportation rates reflect savings realized by use of larger carriers.

Already there are some cost-savings changes being made in the Great Lakes fleet and the ocean-going carriers using the waterway.

Looking back into the files—to the first year of the Seaway's operation—we find that most transits of the locks were made by small vessels. Ships having a gross tonnage of 1,000 to 2,000 tons accounted for 17.6 percent of total cargo moving through the locks into the midland; those of 2,000 to 2,999 tons hauled 16.2 percent; and those of 17,000 tons or over carried only 3.2 percent. For outbound transits, the smallest size vessels accounted for an even greater percentage of total cargos, while ships of 17,000 gross tons or more carried no cargo at all.

By 1964, vessels eight to twenty times the smaller tonnages had taken a dominant position—those of 17,000 tons and more accounting for 27.6 percent of total inbound shipments and for 21 percent of outbound shipments.

Most of these big vessels today are the "lakers," which carry farm and other commodities from the upper lakes to lower parts of the St. Lawrence for transfer to ocean-going carriers. Such ships are often capable of transporting over 27,000 tons of grain, or the equivalent of production from 40,000 acres of prairie farmland and about seven times the capacity of the most powerful trains of over 100 cars.

New "hybrids" plying the Seaway

On the rise, however, is use of ships combining the size of lakers with the seaworthiness of ocean freighters—considered to be the Seaway's ships of the future and of course the most economical method of shipping farm and other products out of the Seaway to overseas ports. These new vessels are being built to carry up to 21,000 tons of cargo compared with the 9,000- to 10,000-ton capacity of ocean freighters heretofore plying the Seaway.

A typical example of this "hybrid" is the *Atlantic Hope*, launched last year at La Seyne, France, and sailing into the Seaway under charter of Federal Commerce and Navigation Co. Ltd. This ship—635 feet long, 75 feet 6 inches in beam, and with a gross tonnage of 18,389 tons—last November carried 17,200 gross tons of steel to Toledo and picked up 18,100 net tons of soybeans for Japan. Another example is the *Cape Breton Minor*, a Canadian ship which set the record in direct overseas shipments by moving 21,024 net tons of corn and soybeans from Milwaukee to Europe.

These changes are making it possible for carriers on the Seaway to make single-line hauls at costs well below other forms of transportation. Professor John Hazard of the Michigan State University, reporting on Seaway operations at a special subcommittee hearing of the Senate Committee on Commerce, said "Railroad line-haul costs are from 6 to 10 times the level of water; and highway costs, from 15 to 25 times as high. This means that the ocean carriers can reach from the lake ports to Western Europe as economically as railroads reach from the center of the mid-continent to the seaboard or as trucks reach from Chicago to Detroit..."

Because of these economies, the Seaway has been credited with forcing improvements in other transport industries and reductions in rates of competing barge lines operating on the Mississippi River and its tributaries, of railroads, and of trucking services.

In this role—as a yardstick of transportation costs for the region it serves—the waterway has already shown it is an important segment of the American economy. And in service to agriculture alone, the Seaway has more than repaid its initial cost to the public.

Foreign Markets for

The Upper Midwest States' Big Five Commodity Exports

This year the Upper Midwest States—Iowa, Minnesota, North Dakota, South Dakota, and Wisconsin—will probably export over a billion dollars worth of farm commodities. The major portion of this income will come from commercial sales, and exports under government programs, of feed grains, wheat, soybeans, and dairy, livestock, and meat products.

38-million-ton wheat and feed grain exports

The Upper Midwest States produced 58 million tons of grains in 1965—81 percent of the corn, 18 percent of the wheat, 65 percent of the oats, 34 percent of the barley, 58 percent of the rye, and 4 percent of the grain sorghums grown in the United States. Iowa—traditionally this country's top producer of corn—last year ranked second with 812 million bushels; Minnesota was fourth. Minnesota grows the most oats, followed by Wisconsin. North Dakota ranks second in wheat, and first in barley and rye.

This area produced 95 percent of the durum and 71 percent of other spring wheat grown in the country. North Dakota alone raised 89 percent of all the durum and 51 percent of other spring wheat in 1965. South Dakota, which produces substantial quantities of winter and durum wheats, is the third ranking State in other spring wheat production. South Dakota ranks third in oats and second in rye output.

Since World War II sales of grains overseas have grown into big business. In 1944-45, the United States exported a total of 5 million metric tons of all grains. In 1964-65, U.S. grain exports totaled 38 million tons.

Of special interest in this region is the growth of export business via "ocean" ports on the Great Lakes. In 1959-60, 14.2 million bushels of wheat were shipped overseas from the Lake ports. Eighty percent of these shipments were Hard Red Spring. Shipments went directly from these ports to British East Africa, Belgium, France, West Germany, Haiti, the Netherlands, Nigeria, the United Kingdom, and Venezuela.

Coarse grains shipments from the Lakes went from 2 million tons in 1959-60 to 4.1 million tons in 1964-65. They went to Austria, Belgium, Denmark, France, West Germany, Ireland, Italy, Japan, the Netherlands, Norway, Poland, Spain, the United Kingdom, and Canada.

The Upper Midwest is occupying an increasingly more important role in world grain trade, not only via the St. Lawrence Seaway, but also through Atlantic, Gulf, and Pacific ports.

While a large portion of the grain exports from the Upper Midwest are shipped through the Lake ports, the other three coasts get a good share of the area's business.

Last year 20 million bushels of Hard Red Spring and 8 million bushels of durum were exported. Thirty-eight percent was shipped from Lake ports, 28 percent from Atlantic ports, 21 percent via the Gulf of Mexico, and 13 percent from the Pacific coast.

Last year 26 percent of U.S. corn exports went through the Lake ports, 13 percent via the Atlantic, 60 percent through the Gulf, and 1 percent through Pacific ports.

Japan—building up a modern livestock industry—last year was the biggest single customer for U.S. feed grains, buying 2 million tons of corn, nearly 900,000 tons of sorghums, and 225,000 tons of barley.

Europe has been the major destination for U.S. feed grains. The Netherlands, which transships a good deal of grain, is the biggest European buyer at 2.8 million tons, and biggest U.S. market for sorghums (934,000 tons) and oats (35,000 tons). Other big feed grain buyers, in order, are Italy, the United Kingdom, West Germany, and Belgium, each taking over a million tons. Spain took 815,000 tons of our feed grains last year. Shipments of these grains go through the Gulf, the Great Lakes, and some off the Atlantic coast. Canada has been a big user of corn in recent years.

The world wheat situation was helpful in gaining this opening in Japan for the United States. Both the Japanese Government and its wheat industry had been concerned about large sales of Canadian spring and durum wheats to Mainland China, and welcomed steps taken by the United States to make U.S. wheats available at west coast ports. Lowered freight rates from the Midwest to the west coast made the U.S. wheats competitive in all Asian markets.

Lower U.S. wheat prices affected the Philippines, where the market for spring wheats was suffering from price competition. A good market is developing for Hard Winter wheat in Taiwan.

Another important development in the past year has been the greatly increased usage of U.S. spring and winter bread wheats and durum wheats in Western Europe. Competitive pricing has been one of the most important factors in making a place for U.S. wheats in foreign markets.

The potential for an increased U.S. share of the European market is good, although a large measure of current success lies in the United States being in a better position to supply the market than its competitors are.

The United States produces over half of the feed grains moving in world export trade, and has a great influence on the total market situation. U.S. feed grain exports are expected to continue to expand, as customers continue to feed more livestock, and feed them better.

Exports of soybeans and soybean products still rising

In addition to providing U.S. farmers with an estimated $2 billion income from the 1965 crop, the soybean is a major factor in the continuing effort to maximize dollar earnings from exports.

Iowa, Minnesota, North and South Dakota, and Wisconsin have played an important part in this record. Combined they produced 195 million bushels of soybeans in 1965, about 23 percent of the 843-million-bushel crop. Their exports of soybeans and products for fiscal 1966 are expected to be worth more than $200 million.

The United States accounts for about 95 percent of all soybeans and products entering world trade today. The higher income industrialized countries of Western Europe,

Japan, and Canada continue to be the major foreign markets for U.S. soybeans. These countries have generally accounted for about 90 percent of U.S. soybean exports.

From 1955 to 1965 U.S. exports of soybeans soared from about 50 million bushels to about 210 million bushels, and the expansion is expected to continue.

With the inclusion of soybean meal and oil exports, foreign countries now provide a market for about half the U.S. soybean crop. Soybeans and products ranked as the number one dollar earner among U.S. farm export crops in fiscal 1965, as in each of the 2 preceding years.

In the first 9 months of the current fiscal year soybean exports were 195 million bushels, with an export value of $540 million. Exports of soybean meal were valued at $150 million and oil at $110 million during the same period. Thus the total export value of soybeans and their major products is nearing the $1 billion level for the first time. Most of these exports will be commercial sales although a relatively large proportion of the oil exports will go out under the Food for Peace Program.

As consumer incomes continue to rise around the world, the demand for more meat, poultry, and other livestock products will require larger imports of animal feeding materials to supplement domestic supplies. U.S. exports of soybean meal increased by more than six times from 1958 to 1965, and all signs point to new records in soybean meal exports in the future.

Midwest is big source of livestock and meat products

A center for meat processing and packing as well as livestock production, the Upper Midwest is an important source for U.S. livestock and meat products moving into foreign trade.

The principal commodities in the order of their value to the U.S. livestock industry are tallow and greases, hides and skins, live cattle, and variety meats.

U.S. tallow and greases are shipped on a worldwide basis—principally to Japan and the European Economic Community. About half the U.S. domestic production is exported, accounting for three-fourths of the tallow and greases entering world trade. Inedible tallow is used for the manufacture of soap, with increasing quantities going into feed grains, and edible tallow for margarine and shortening. U.S. tallow and grease exports last year were valued at $191 million.

Exports of hides and skins have been expanding in recent years. U.S. cattle hide exports totaled 13.5 million pieces in 1965 and earned $90 million. Although U.S. hides go to most countries in the world, Japan and the EEC are the principal markets.

Live cattle exports are primarily breeding stock. Latin America is the United States principal market, but last year Italy became an important commercial buyer. Several shipments of live calves from the Upper Midwest area were among breeding stock sent to Italy last year—some air-freighted directly from Chicago and New York and others trucked to Atlantic ports and transported by ship.

Variety meats—the byproducts of meat packaging—are marketed primarily in the European Economic Community, the United Kingdom, Switzerland, and Sweden. Imported U.S. variety meats are used primarily in processed meats such as wurst, and other luncheon-type meats. Last year U.S. variety meat exports earned $56 million.

The U.S. Department of Agriculture, in cooperation with various industry groups, carries out an active market development program to create and expand foreign markets for livestock and meat products. Active cooperator groups are the National Renderers Association, the American Meat Institute, and the Holstein-Friesian Association. Market development programs have helped to stimulate import interest in foreign countries and have made industry organizations in the United States more aware of export market possibilities.

One-third U.S. dairy exports from Midwest

Nearly 30 percent of the milk produced in the United States and one-third of the total exported comes from the Upper Midwest States. Farmers from the area last year marketed over 38 billion pounds of milk and cream with a return to them of $1.3 billion. Wisconsin, Iowa, and Minnesota are among the top five milk-producing States.

The United States exports butter, cheese, and nonfat dry milk under special programs that help make their prices competitive in world markets. For the last several years, however, exports of canned evaporated milk, condensed milk, dry whole milk, and infants' and dietetic foods have moved without subsidy and earned about $30 million each year. In 1965 the export value of these products was almost $40 million.

Exports of U.S. dairy products have varied greatly both in quantity and destination in recent years, depending upon the sensitive world dairy picture. When there is an unexpected change in the supply and demand situation—such as Western Europe's lower production in 1964—U.S. exports of dairy products are immediately affected. That year U.S. dairy products earned a record $182 million in foreign commercial trade—$54 million from Western Europe alone. U.S. production had hit 127 billion tons, and plentiful export supplies had given U.S. dairy products wide exposure to the world market. The United States sold nonfat dry milk to 108 countries—68 of them on a dollar basis. Markets included 13 new commercial buyers, among them Hungary, Iran, Kenya, and Nigeria.

In 1965, West European dairy production picked up momentum and U.S. production fell off. Production in the Upper Midwest area alone dropped by 1 billion pounds. As a result, U.S. exports—particularly butter—were down, and shipments to the EEC were cut back sharply. Sizable shipments of dry milk again went to Italy and the Netherlands, and small quantities of butter to Western Europe.

Even though exports of nonfat were down, the United States entered 54 markets commercially, adding Portugal and Sudan. That year U.S. canned milk went principally to Mexico and the Far East, dry whole milk to Japan and Venezuela, and infants' and dietetic foods to Venezuela, the Philippines, and Japan.

Exports for 1966 are expected to drop even further than last year's level since production is still low and domestic demand high. At the present time there are no noncommitted Commodity Credit Corporation inventories of dairy products. Subsidized sales out of CCC inventories of butter, cheese, and nonfat are not in operation, and payment-in-kind programs for butter and nonfat dry milk have been temporarily suspended.

Even with reduced supplies and uncertainties that exist in the U.S. and world dairy picture, it is expected that the United States will maintain its interest and presence in the world market for dairy products.

51-car unit train of jumbo hoppers.

Unit train arrives at Baltimore elevator.

Unit Trains Speed Midwest's Grain Exports to East Coast Ports

By R. KEITH SEVERIN
Office of Deputy Administrator
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A recent innovation—the unit grain train made up of covered hopper cars and sometimes of boxcars—has materially stepped up the ability of the U.S. economy to move grain from interior farming regions into position for shipment overseas.

The purpose of the unit trains is to facilitate the movement of bulk grain. These trains, which include a large number of covered hopper cars—as many as 50 to 65—or as many as 100 boxcars—are loaded at the point of origin and shipped directly nonstop, to the point of embarkation. Most of the unit trains now in use go from Minnesota's Twin Cities to east coast ports.

With jumbo-sized hopper cars, these trains can haul nearly twice as much grain as trains made up of the same number of conventional boxcars. The covered hopper cars haul 100 tons of grain, while the standard boxcar has a capacity of 57 tons. And, because the new hopper trains are loaded from the top and dumped from the bottom, the handling time at origin and destination is less than for boxcar trains.

Typically, a unit train of empty hoppers arrives in Minneapolis on Friday night, and on Saturday night it has been loaded and inspected and is again ready to depart for an east coast port. The unit trains can make three round trips between main inland elevators and export terminals in the time it takes ordinary freight trains to make one trip. More time is gained by unit trains because their cars are kept intact, traveling and being processed as a unit, requiring but a single bill of lading. For the non-unit train, a bill of lading is required for each car. In addition, railroads reduce freight rates for unit trains.

In March these new unit trains helped to establish a new record for the amount of wheat delivered to export terminals from inland elevators. Of the 2,346,000 tons (86.2 million bushels) of wheat that arrived at export terminals in March, nearly 300,000 tons (11 million bushels) were delivered by unit trains. (The previous high of 2,270,000 tons occurred in March 1964 when U.S. wheat was being shipped to the Soviet Union.) Unit train deliveries accounted for nearly all the wheat shipped from Atlantic coast ports this past March.

The concept of the unit train came into being in late 1965, when with the nation gripped by a severe freight car shortage, our grain export industry was faced with the monumental task of keeping sufficient stocks in export position to meet our emergency food aid commitment to India and still continue to satisfy other importers.

At that time the Inventory Management Division of the Agricultural Stabilization and Conservation Service began to experiment with a unit train for grain. The first train was started on a trial basis on November 12 and went from Minneapolis to Baltimore. It was so successful that a second train was started on December 22, and now, with continued cooperation by the railroads, a total of seven unit trains are running. They operate mainly between Minneapolis and St. Paul and the Atlantic coast ports of Philadelphia, Baltimore, and Norfolk, and to a lesser degree, Charleston, S.C. Some unit trains (mostly of boxcars) operate from Buffalo to east coast ports.

Covered hopper-car trains have conclusively demonstrated that they can move grain quickly and efficiently. They are a further extension of our country's efficient grain economy and will undoubtedly remain a permanent fixture in U.S. grain transportation.

If the United States is to capitalize on the economies of using large supertankers like the *Manhattan* and *Transeastern*, which have carried 72,500 and 44,000 tons of grain, respectively, to India, it is necessary that everything possible be done to expedite their loading. This includes not only actually loading them, but having the grain needed to load them immediately at hand.

1966 Wheat Prospects Vary in Northern Hemisphere Countries

Mid-1966 prospects of wheat harvests in Northern Hemisphere countries are varied. Except in Canada, Italy, and possibly the Soviet Union, winter wheat acreages are below those of 1965. However, continued above-normal precipitation since last November generally has built up soil moisture reserves, and crops in the Western Hemisphere, Europe, and the USSR are in satisfactory condition.

On the other hand, drought has seriously reduced wheat prospects in northern Africa and some Middle East nations.

Despite an indicated decline in U.S. wheat acreage, a production increase is forecast. The winter wheat crop is estimated at 1.1 billion bushels, up 8 percent from 1965.

Canada's intended acreage as of April 1, at 29,616,000 acres, is close to the record of 1964. Ground moisture has been reported right for planting the spring crop, which comprises nearly all of Canada's wheat.

In the northern tier countries of Western Europe, wheat acreages generally were reduced by an early winter in mid-November and continued wet weather in the spring. In most of these countries, however, crop conditions are generally satisfactory.

The EEC situation

Wheat acreage declined in all the European Economic Community countries except Italy and possibly the Netherlands. France's acreage as of April 1, at 9,857,000 acres, was 1,178,000 acres or 11 percent below that on the comparable date in 1965. Excessive moisture in February and shortage of spring wheat varieties prevented the French from making up reduced fall seeding by planting spring wheat. Winter wheat has made good growth and crop conditions continue to be favorable.

In Italy, the second largest producer in the EEC, conditions have been favorable for wheat since the beginning of the season. Acreage is larger than a year ago, rainfall has been adequate, and the crop is progressing well. Italy's harvest may be as large as last year's bumper crop.

Despite West German plans to expand winter wheat acreage, wet weather has caused smaller acreages to be planted. Continuing precipitation after mid-November not only limited winter wheat planting, but also hampered spring seeding. This will result in lower production, particularly in the northern part of the country.

Winter wheat acreage in the Netherlands was only slightly below that of 1965 and spring plantings are expected to bring the 1966 acreage up to about last year's level. Prospective production approximates the good crop of 1965. Belgium, however, had a sharp decline in winter wheat acreage, and crop conditions in April were less favorable than in 1965.

Although U.K. farmers planned to seed as much wheat acreage as the expanded wheat area of 1965, wet weather hindered both fall and spring planting. Condition of the crop is generally satisfactory. Sweden's harvest is expected to be the smallest in 3 years. Acreage is forecast at 578,000 acres, 19 percent below the 711,000 acres of 1965. Unusually severe and prolonged cold caused heavy losses.

Portugal's acreage has also been reduced sharply. Above-normal rain hindered field preparation for fall sowing, and it is almost certain production will be less than in 1965. Acreage in Greece, estimated at 2,442,000 acres, is 9 percent less than the 2,690,000 acres estimated on the same date of 1965. Therefore, although conditions are favorable and yield prospects better than last year, production may be 7 percent below the bumper 1965 crop. If weather continues favorable through May, Turkey expects to harvest a record wheat crop. Planting and growing conditions were favorable.

Northern Africa and the Middle East

Water shortages have seriously reduced wheat production in countries bordering the Mediterranean Sea to the south and east. Morocco, Algeria, and Tunisia experienced drought from November into February. Moroccan officials estimate that the crop is equal to about two-thirds of the 1.3 million tons harvested in 1965. The situation in eastern and southern Morocco is particularly serious.

In western Algeria the cereals crop is reported to be a total loss, but conditions are more favorable in the eastern part of the country. The estimated wheat crop will be the smallest since 1961 when about 625,000 metric tons were produced. Tunisia's 1966 crop is reported at about half the bumper 1965 harvest of 520,000 tons. A good crop in eastern Libya offsets to some extent the drought-affected wheat of Tripolitania, so that the total harvest is not expected to be greatly below that of 1965.

Rainfall has also been inadequate in Iraq, Israel, and Syria, and wheat production is expected to decline significantly from 1965 levels.

Winter wheat crop conditions in the Soviet Union are good in some principal producing areas. Precipitation has been adequate, and the crop came through the winter in good shape.

Pakistan's harvest is not so small as had been predicted. Despite the drought, increased acreage last fall before dry weather set in and timely rains in the latter part of the growing season resulted in an estimated output of approximately 4 million tons, compared with an unusually high 4.7 million in 1965 and a 1961-65 average of 4.2 million.

Japan's 1966 wheat acreage, officially estimated at a little over 1 million acres, is down nearly 100,000 from 1965 and 31 percent below the 1961-65 average. Production is forecast at 1,020,000 tons, a decline of 268,000.

Egyptian Cotton Crop at Record High in 1965

Egypt's 1965-66 cotton crop is officially estimated at 2,378,000 bales, an increase of 3 percent from the record harvest last season.

Medium and medium-long staple outturns were up 7 and 8 percent, respectively, in 1965-66. Except for Giza 47, which was down about 16 percent, production of all the medium and medium-long staple varieties was higher in 1965-66. Production of extra-long staple cotton, how-

ever, at 1,028,000 bales, was down about 3 percent with all of the decline in the Menoufi variety.

While official acreage figures for 1965-66 have not yet been released by the Egyptian Government, it appears from trade reports that the current crop was harvested from an area considerably above the 1.7 million acres of 1964-65.

EGYPTIAN PRODUCTION OF COTTON

Staple length and variety	1964-65	1965-66	Change
	1,000 bales[1]	*1,000 bales*[1]	*Percent*
Extra-long staple, over 1⅜":			
Menoufi, Giza 45, and Giza 68	1,060	1,028	—3
Medium-long staple, 1-9/32" to 1⅜":			
Giza 47, Giza 67, and Dendera	566	614	+8
Medium, staple, 1¼" and under:			
Ashmouni and Giza 66	652	696	+7
Subtotal	2,278	2,338	+3
Scarto (unclassified cotton)	37	40	+8
Total	2,315	2,378	+3

[1]Bales of 480 lb. net.
Government of Egypt.

Australia Promotes Honey Sales in Britain

Australian Honey Board officials visited Britain in April to promote sales of honey.

Australia supplies almost half the United Kingdom's honey requirements of some 27 million pounds per year. The proportion of requirements supplied has increased markedly since 1959. Traditionally, Australian honey has been inexpensive and considered to be of acceptable quality, although some U.K. honey merchants have considered it suitable only for blending, as flavors have been somewhat strong. Most of it is produced by itinerant bee-keepers on bushland where rent is low. The country is so large that there is almost no end to the season.

Australian honey officials believe that the industry has now achieved standards that will make its honey even more competitive. Inspection standards have been tightened, and the proportion suitable for being sold "pure" rather than blended is said to be rising fast. Australia will have competition for the U.K. market, particularly from Canada, which has recently been shipping more prepacked honey.

Rhodesian Sugar Estate Closing

The Chirundu Sugar Estate in Rhodesia, which began large-scale production in 1960, is to close down at the end of the year. Technical and management efforts have been made at Chirundu to increase yields and reduce production costs. The higher cane yields realized in the Lowveld, however, and the large-scale operations there have made Chirundu's position progressively less viable in view of the low average price now being received.

The estate comprises 12,700 acres in the Zambesi Valley. Production of sugar this year is expected to amount to 26,000 metric tons. The estate employs about 1,500 workers, mostly African. It is understood that every effort will be made to absorb them into the industry elsewhere.

Tunisia Exports Less Olive Oil

Exports of edible olive oil from Tunisia during November-March of the 1965-66 marketing year totaled 15,621 metric tons against 29,414 and 17,299 in the comparable periods of 1964-65 and 1963-64, respectively. Most of the 1965-66 shipments went to Italy and France.

The reduced export volume this season reflects lower production from 1965-crop olives. Production is estimated at only 54,000 metric tons, compared with 95,000 and 89,000 in 1964-65 and 1963-64, respectively.

Peruvian Fishmeal Situation

Peru, the world's largest producer and exporter of fishmeal, is expected to produce about 1.2 million metric tons of fishmeal in 1966—about 6 percent below the 1.28 million produced in 1965 and nearly one-fourth below the record 1,552,200 produced in 1964. The decline reflects poor anchoveta fishing in the late months of 1965, apparently because of earlier overfishing of replacement stock. Although record landings were made in the first quarter of 1966, a high portion was immature replacement stock.

Because of growing concern that the anchoveta have been overfished, the Peruvian Government in February 1966 imposed a 7-million-ton limit on the 1966 anchovy catch. Actual catches in 1965 and 1964 were 7,135,000 and 8,863,000 tons, respectively.

According to trade sources, some Peruvian fish-reduction plants have placed orders for supplementary processing equipment. This equipment consists of steam dryers which will enable the plants to process fish solubles—a byproduct of the fish-reduction process. Reportedly, only a few Peruvian plants are now using such equipment.

Peruvian fishmeal exports in 1965, at 1.26 million tons, declined by 166,100 tons from the 1964 record of over 1.4 million tons as a result of reduced supplies. Exports

PERU'S SUPPLY AND DISTRIBUTION OF FISHMEAL

Item	1962	1963	1964	1965[1]	1966[2]
	1,000 metric tons	*1,000 metric tons*	*1,000 metric tons*	*1,000 metric tons*	*1,000 metric tons*
Supply:					
Stocks (Jan. 1)	156.8	192.9	167.0	261.0	237.0
Production	1,120.8	1,159.2	1,552.2	1,282.0	1,200.0
Total	1,277.6	1,352.1	1,719.2	1,543.0	1,437.0
Distribution:					
Exports	1,066.0	1,159.7	1,416.5	1,260.0	1,200.0
Apparent consumption	18.7	25.4	41.7	46.0	52.0
Stocks (Dec. 31)	192.9	167.0	261.0	237.0	185.0
Total	1,277.6	1,352.1	1,719.2	1,543.0	1,437.0

[1]Preliminary. [2]Unofficial forecast.
Peruvian National Fishery data and other sources.

PERU'S EXPORTS OF FISHMEAL

Destination	1962	1963	1964	1965
	1,000 metric tons	*1,000 metric tons*	*1,000 metric tons*	*1,000 metric tons*
Germany, West	251.8	182.1	256.4	299.5
United States	167.3	211.0	323.9	182.6
Netherlands	281.0	190.7	234.9	139.8
Germany, East	—	34.0	34.5	86.3
Spain	31.5	60.5	52.7	85.6
Italy	41.9	51.5	76.1	65.1
United Kingdom	76.2	53.2	79.1	56.7
Japan	30.1	61.7	92.8	53.5
France	49.9	38.3	49.9	43.1
Poland	17.0	10.0	26.3	34.1
Mexico	18.3	22.4	34.9	32.9
Czechoslovakia	.2	12.7	9.2	31.0
Yugoslavia	10.1	21.6	32.2	28.2
Hungary	4.4	17.3	17.7	26.0
Others	76.2	71.3	105.5	95.6
Total	1,055.9	1,038.3	1,426.1	1,260.0

Estadística del Comercio Exterior and other sources.

in 1966 are expected to drop even further—perhaps approximating 1.2 million tons.

In 1965, West Germany displaced the United States as the major market, accounting for nearly one-fourth of the total against only 18 percent in 1964. Movements to the Netherlands, the third major market, declined sharply. However, aggregate movements to East European countries, exceeding 200,000 tons, accounted for one-sixth of the total against 120,000 tons or 8 percent in 1964.

Iranian Industry Promotes Oilseed Output

Twelve large vegetable oil companies in Iran have agreed to pool financial resources to set up a cooperative for the promotion of oilseed production, according to an announcement by the Minister of Economy. These companies have subscribed a total capital of 500,000,000 rials ($6.6 million) to be paid up within the next 5 years. The Ministry has promised to match the industry contribution.

The aim of the cooperative venture is to encourage the cultivation of oilseeds throughout the country to meet the growing demand of the vegetable oil companies, whose imports of raw materials are rising 20 percent annually.

Gain in Australia's Tobacco Imports

Australia's imports of unmanufactured tobacco in 1965 totaled 29.6 million pounds—up about 4 percent from 28.5 million in 1964.

Purchases of U.S. leaf in 1965, at 19.5 million pounds, accounted for 66 percent of the total, compared with 14.8 million pounds and 52 percent in the previous year. Other major suppliers included Rhodesia 5.4 million pounds, the Republic of South Africa 3.6 million, Malawi 425,000.

AUSTRALIA'S UNMANUFACTURED TOBACCO IMPORTS

Origin	1964	1965
	1,000 pounds	*1,000 pounds*
United States	14,811	19,506
Rhodesia	5,529	5,414
South Africa, Republic of	4,720	3,590
Malawi	174	425
Canada	357	39
Others	2,885	670
Total	28,476	29,644

Austria's Cigarette Production at Record

Austria's factories produced a record 10,394 million cigarettes in 1965, a gain of 4 percent over the 9,978 million produced in 1964. However, output of most other tobacco products dropped from the 1964 levels.

In 1965, Smart Export—a medium-priced, filter-tipped brand—accounted for one-third of the Austrian Monopoly's total cigarette production. Smart Export contains about 50 percent U.S. tobacco and is popular not only in Austria but also in other countries. Other leading brands in 1965 were Falk and Austria 3. Together, these three brands accounted for more than 50 percent of total cigarette sales.

Production of cigars and cigarillos totaled 74.7 million pieces in 1965, compared with 90.2 million in 1964; pipe tobacco, 1,326,000 pounds, compared with 1,434,000; and chewing tobacco, 66,000 pounds, compared with 74,000. Small increases were registered in production of snuff and roll-your-own cigarette tobacco.

U.S. Tobacco Exports in March

U.S. exports of unmanufactured tobacco in March 1966, at 39.3 million pounds, were 10.7 percent below the 44 million shipped out in March 1965. The export value was $31.7 million, compared with $32.6 million.

For the period July 1965 through March 1966, exports totaled 397.5 million pounds—up 7.5 percent from 369.6 million in the first 9 months of fiscal 1965.

The value of tobacco-product exports in March 1966 was $11.4 million, compared with $13 million in March 1965. For the period January-March 1966, the total value of tobacco-product exports was $29.9 million against $22.2 million for the first 3 months of calendar 1965.

U.S. EXPORTS OF UNMANUFACTURED TOBACCO
[Export weight]

Kind	March		January-March		Change from 1965
	1965	1966	1965	1966	
	1,000 pounds	*1,000 pounds*	*1,000 pounds*	*1,000 pounds*	*Percent*
Flue-cured	31,910	27,867	39,786	71,657	+80.1
Burley	3,480	2,907	4,148	11,161	+169.1
Dark-fired Ky.-Tenn.	4,630	3,053	4,919	5,054	+2.7
Va. fire-cured[1]	1,019	512	1,226	1,862	+51.9
Maryland	597	1,079	1,017	1,864	+83.3
Green River	54	283	78	434	+456.4
One Sucker	11	6	11	43	+290.9
Black Fat	596	346	648	953	+47.1
Cigar wrapper	374	269	630	1,476	+134.3
Cigar binder	161	64	470	217	—53.8
Cigar filler	30	149	88	273	+210.2
Other	1,104	2,750	3,954	5,786	+46.3
Total	43,966	39,285	56,975	100,780	+76.9
	Mil. dol.	*Mil. dol.*	*Mil. dol.*	*Mil. dol.*	*Percent*
Declared value	32.6	31.7	41.8	83.9	+100.7

[1]Includes sun-cured.
Bureau of the Census.

U.S. EXPORTS OF TOBACCO PRODUCTS

Kind	March		January-March		Percent change from 1965
	1965	1966	1965	1966	
Cigar and cheroots *1,000 pieces*	5,426	7,582	9,248	15,898	+71.9
Cigarettes *Million pieces*	2,333	2,190	4,380	5,724	+30.7
Chewing and snuff *1,000 pounds*	57	35	63	140	+122.2
Smoking tobacco in pkgs. *1,000 pounds*	90	69	138	231	+67.4
Smoking tobacco in bulk *1,000 pounds*	1,837	882	2,307	2,526	+9.5
Total declared value *Million dollars*	13.0	11.4	22.9	29.9	+30.6

Bureau of the Census.

Israeli Cigarette Output Rises 8 Percent

Cigarette output in Israel in 1965 totaled 6.9 million pounds—up 8 percent from 6.4 million in 1964. Production of snuff and tombac showed small gains from 1964, whereas output of cigars and pipe tobacco declined slightly.

Cigarette sales during 1965 were reportedly estimated at 7.5 million pounds, compared with 6.8 million in 1964. Sales of imported brands represented almost 9 percent of the total against about 7 percent in 1964. Sales of domestic-made filter-tipped cigarettes continued to rise and represented 57.5 percent of total sales against 52.5 percent.

Australian Dried Fruit Prices

The Australian Dried Fruits Control Board has approved opening minimum prices for orders of dried fruits booked to June 30, 1966. Shipments to Japan, Central and South America, African and Middle Eastern countries, and Asian and Pacific countries must leave by December 31, 1966, while those to Canada must leave by November 30, 1966. Shipments to New Zealand will be allowed through the 1966 season.

AUSTRALIAN OPENING MINIMUM DRIED FRUIT PRICES[1]

Country and item	1965	1966
New Zealand:[2]	*Dollars per short ton*	*Dollars per short ton*
Sultanas:		
3 crown	([3])	308.60
4 crown	([3])	313.54
5 crown	315.00	318.47
Currants:		
3 crown	([3])	323.41
4 crown	305.00	328.35
5 crown	310.00	333.29
Raisins:		
Unseeded:		
4 crown	300.00	298.72
5 crown	310.00	308.60
Seeded: Bulk	377.00	375.26
Japan:		
Sultanas:		
3 crown	([3])	([3])
4 crown	([3])	([3])
5 crown	([3])	([3])
Currants:		
3 crown	([3])	([3])
4 crown	307.50	([3])
5 crown	312.50	([3])
Raisins:		
Unseeded:		
4 crown	302.50	287.08
5 crown	312.50	297.00
Seeded: Bulk	380.00	362.50
Central & South America, Africa & Middle Eastern countries:		
Sultanas:		
3 crown	([3])	312.50
4 crown	([3])	317.50
5 crown	317.50	322.50
Currants:		
3 crown	([3])	327.50
4 crown	307.50	332.50
5 crown	312.50	337.50
Raisins:		
Unseeded:		
4 crown	302.50	287.08
5 crown	312.50	297.08
Seeded: Bulk	380.00	362.50
Eastern Canada & Newfoundland:	*Dollars per short ton*	*Dollars per short ton*
Sultanas:		
3 crown	([3])	307.50
4 crown	([3])	312.50
5 crown	312.50	([3])
Currants:		
3 crown	([3])	327.50
4 crown	305.00	327.50
5 crown	310.00	337.50
Raisins:		
Unseeded:		
4 crown	286.25	287.08
5 crown	296.25	297.08
Seeded: Bulk	362.50	362.50
Western Canada & Prairie Provinces:		
Sultanas:		
3 crown	([3])	302.50
4 crown	([3])	307.50
5 crown	307.50	([3])
Currants:		
3 crown	([3])	327.50
4 crown	305.00	327.50
5 crown	310.00	337.50
Raisins:		
Unseeded:		
4 crown	286.25	287.08
5 crown	296.25	297.08
Seeded: Bulk	362.50	362.50
Asian & Pacific countries:[4]		
Sultanas:		
3 crown	([3])	290.00
4 crown	([3])	295.00
5 crown	317.50	300.00
Currants:		
3 crown	([3])	327.50
4 crown	307.50	332.50
5 crown	312.50	337.50
Raisins:		
Unseeded:		
4 crown	302.50	287.08
5 crown	312.50	297.08
Seeded: Bulk	380.00	362.50

[1]F.o.b. Australian ports. [2]F.o.b. Melbourne. [3]Not quoted. [4]Excluding Japan.

Greek Subsidy on 1966 Tomato Paste Exports

The 1966 subsidy on Greek exports of tomato paste is 2.90 to 3.40 drachmas per kilogram (4.38 to 5.13 cents per lb.), gross weight basis, depending on the degree of concentration.

Payments are conditioned on processors' paying growers 0.85 to 1.15 drachmas per kilogram ($25.60 to $34.80 per short ton), net weight basis, for fresh tomatoes. In addition, the government pays 0.10 drachma per kilogram ($3 per short ton) directly to growers in areas where there are no processing plants to cover a portion of the hauling costs. The Greek Government initiated its subsidy program on canned tomato products in 1964.

In 1964-65, the United States imported 5,862 cases, equivalent 24/2's, of tomato paste from Greece and 308,900 from Italy; from July 1965 through March 1966 it took 2,769 cases from Greece and 348,800 from Italy. Greece reports exports of 142,600 cases, equivalent 24/2's, to Italy in calendar year 1964 and 71,800 cases in 1965.

Hamburg's Prices on Canned Fruits and Juices

Importers' selling prices, duty and tax paid, in Hamburg, Germany, for lots of 50-100 boxes in April 1966, January 1966, and April 1965 are compared below.

Type and quality	Size of can	Price per dozen units			Origin
		April 1965	Jan. 1966	April 1966	
CANNED FRUIT		*U.S. dol.*	*U.S. dol.*	*U.S. dol.*	
Apricots, halves:					
Quality not specified	2½	—	4.80	4.80	U.S.
Do.	1 tall	—	—	2.43	U.S.
Do.	1 tall	—	—	1.74	Spain
Fancy	1 tall	—	—	1.78	S. Africa
Choice	1 tall	—	—	1.76	S. Africa
Standard	2½	—	—	3.36	S. Africa
Peaches, halves:					
Quality not specified	2½	—	—	3.60	Greece
Choice, heavy syrup	2½	3.93	4.11	4.05	U.S.
Heavy syrup	2½	—	—	3.39	Bulgaria
Choice	2½	—	4.23	4.11	S. Africa
Choice light halves	2½	3.84	4.02	3.96	U.S.
Do.	2½	3.57	—	4.02	Australia

U.S. DEPARTMENT OF AGRICULTURE
WASHINGTON, D. C. 20250

OFFICIAL BUSINESS

POSTAGE AND FEES PAID
U.S. DEPARTMENT OF AGRICULTURE

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Type and quality	Size of can	Price per dozen units April 1965	Jan. 1966	April 1966	Origin
CANNED FRUIT		*U.S. dol.*	*U.S. dol.*	*U.S. dol.*	
Choice light halves	10	—	15.30	15.30	S. Africa
Choice, heavy syrup	10	14.94	15.75	15.75	U.S.
Pears, halves:					
Quality not specified	2½	—	—	4.11	Italy
Do.	2½	3.75	—	4.44	Argentina
Do.	2½	—	4.32	[1]3.99	Mainl. China
Do.	1 tall	—	—	3.03	U.S.
Choice, heavy syrup	2½	—	4.38	4.26	Australia
Choice, light syrup	2½	—	—	4.20	Australia
Fruit cocktail:					
Quality not specified	2½	—	5.19	5.25	Argentina
Choice, heavy syrup	2½	4.56	5.58	5.28	U.S.
Do.	2½	4.44	4.41	4.32	Australia
Do.	10	18.81	22.50	22.05	U.S.
Choice, light syrup	2½	—	5.52	5.10	U.S.
Do.	2½	—	—	4.05	Australia
Do.	300	2.73	—	3.33	U.S.
Fruit salad:					
Quality not specified	2½	4.53	4.79	4.71	Spain
Do.	15 oz.	2.37	2.49	2.49	Spain
Do.	303	—	—	6.45	U.S.
Sour cherries:					
Pitted, Michigan	10	17.25	19.68	19.35	U.S.
Fancy A	10	—	—	19.05	U.S.
Pitted, choice	15 oz.	3.42	3.99	3.78	Canada
Pineapple:					
Whole slices:					
Fancy, extra heavy syrup	2½	—	4.49	4.58	U.S.
Fancy	2½	4.26	—	4.56	Philippines
Choice	2	—	3.06	3.06	U.S.
Choice 10 slices	2	2.58	2.58	2.39	Malaya
Quality not specified	2½	3.74	—	3.75	Formosa
Do.	2½	3.72	3.85	3.81	S. Africa
Do.	2½	—	—	3.64	Ivory Coast
Do.	2½	—	4.90	3.81	Kenya
Pieces	2½	—	3.27	3.12	Philippines
Do.	2½	3.15	3.15	2.10	Formosa
Do.	2½	—	—	3.66	U.S.
Do.	2	—	—	1.97	Mainl. China
Crushed	10	12.78	12.66	12.30	U.S.
Do.	10	9.42	9.33	9.33	S. Africa
CANNED JUICE					
Orange, unsweetened	2	—	1.80	1.74	Italy
Do.	43 oz.	3.66	—	3.85	Greece
Do.	½ din.	1.50	—	1.54	U.S.
Grapefruit, unsweetened	2	1.90	1.93	1.98	Israel
Do.	2	1.82	2.70	2.19	U.S.
Do.	2	—	—	1.94	Trinidad

[1]Special offer.

U.S. Exports of Livestock Products

During the first quarter of 1966 U.S. exports of variety meats, tallow and greases, sausage casings, mohair, and hides and skins were slightly larger than in the first 3 months of 1965. At the same time, reduced quantities of lard, red meats, and live cattle were shipped to foreign markets.

Exports of variety meats were running 6 percent above those in January-March 1965. Tallow and grease exports advanced 5 percent, while those of hides and skins were up 28 percent. For each of these categories, full-year 1965 exports were at record-high value levels.

Continued tight supplies and relatively high prices in the United States caused export reductions of 46 percent for large, 29 percent for red meats, and 49 percent for live cattle.

U.S. EXPORTS OF LIVESTOCK PRODUCTS
[Product-weight basis]

Commodity	March 1965	March 1966	Jan.-Mar. 1965	Jan.-Mar. 1966
Animal fats:	*1,000 pounds*	*1,000 pounds*	*1,000 pounds*	*1,000 pounds*
Lard	18,384	17,973	71,133	38,654
Tallow & greases:				
Inedible	170,767	168,166	445,335	468,561
Edible	4,091	2,026	5,413	6,205
Red meats:				
Beef and veal	7,268	2,368	16,067	8,847
Pork	6,725	3,913	12,908	9,877
Lamb and mutton	82	111	262	260
Sausages:				
Except canned	120	131	397	468
Canned	158	108	336	350
Other canned meats	863	857	1,923	2,162
Meat specialties:				
Frozen	120	168	247	490
Canned	105	291	258	622
Total red meats	15,441	7,947	32,398	23,076
Variety meats	31,899	20,458	47,829	51,064
Sausage casings:				
Hog	1,050	749	1,645	1,753
Other natural	545	449	836	1,125
Mohair	644	612	1,048	2,116
Hides and skins:	*1,000 pieces*	*1,000 pieces*	*1,000 pieces*	*1,000 pieces*
Cattle	1,214	1,320	2,703	3,492
Calf	224	268	438	695
Kip	29	62	75	173
Sheep and lamb	362	216	678	580
Horse	3	10	8	14
Goat and kid	24	47	59	128
	Number	*Number*	*Number*	*Number*
Live cattle	6,411	2,179	13,263	6,757

Bureau of the Census.

Malagasy Vanilla Exports Higher

Exports of vanilla beans in 1965 from the Malagasy Republic—world's largest producer—were 984 metric tons valued at $9.9 million, up 57 percent from 1964.

The United States was the largest recipient, taking 813 tons. France and West Germany accounted for most of the remainder, with 108 and 55 tons respectively.